

**STATE OF NEW HAMPSHIRE**  
**2010-RRG-01**  
**REQUEST FOR PROPOSALS – ACTUARIAL SERVICES**

**INTRODUCTION**

The New Hampshire Insurance Department (NHID) is requesting proposals for a Contractor to perform consulting services for the NHID. Pursuant to the NHID rate review grant and NH Senate Bill 392 (<http://www.gencourt.state.nh.us/legislation/2010/SB0392.html>), an Act Requiring Public Hearings Concerning Health Insurance Cost Increases, the NHID seeks assistance with evaluating its rate approval process and developing proposals for improving that process. In particular, the Contractor shall specify data requests, information technology and other strategies so that NHID can better incorporate and understand carrier administrative loads and profitability and other factors that contribute to cost increases in insurance premiums in its rate approval process. The Contractor shall also specify data requests, information technology and other strategies to make the rate approval process more transparent, as well as options for changing the standard for rate approval, including consideration of alternative best-practice models. The Contractor, in making its recommendations, shall include consideration of federal expectations and carrier concerns regarding confidentiality. This arrangement will continue through September 30, 2011, with the option to renew the contract.

**GENERAL INFORMATION/INSTRUCTIONS**

Sealed envelopes containing three copies of the proposal will be received until 4 pm local time, on November 19, 2010, at the New Hampshire Insurance Department, 21 South Fruit Street, Suite 14, Concord, New Hampshire, 03301. Sealed envelopes should be clearly marked “Attn: Tyler Brannen, Health Care Statistician, RE: RFP for Actuarial Services.”

Alternatively, you may email your proposal as a PDF attachment to [tyler.brannen@ins.nh.gov](mailto:tyler.brannen@ins.nh.gov). E-mailed proposals will be received until 4 pm local time, November 19, 2010.

Proposals should be prepared simply and economically, providing a straightforward, concise description of bidder capabilities to satisfy the requirements of the RFP and the methodology the bidder proposes to use. Emphasis should be on completeness and clarity of content.

Evaluation of the submitted proposals will be accomplished as follows:

- (A) General. An evaluation team will judge the merit of proposals according to the general criteria defined herein.

Officials responsible for the selection of a Contractor shall insure that the selection process accords equal opportunity and appropriate consideration to all who are capable of meeting the specifications.

Failure of the applicant to provide in its proposal all information requested in the Request for Proposal may result in disqualification of the proposal.

(B) Specific. A comparative scoring process will measure the degree to which each proposal meets the following criteria:

- (1) Specific skills needed for understanding health insurance pricing, health insurance premium components, and processes from both the carrier's perspective and the regulator's perspective. Past experience evaluating administrative loads, carrier profits, and the factors that contribute to health insurance premium increases and other States' rate review standards, processes and methodologies. The ability of the vendor to evaluate the growth in rate filing components and factors. Deliverables might include analyses of actual expenses, expenses associated with underwritten business, and expense revenue (loads) generated by underwritten business (rate filings). Deliverables might also include guidelines for regulating rate relativity factors between varied health plans, and recommendations for how best to calculate appropriate indices representing plan value. The evaluation will take place from the perspective of a regulator seeking to eliminate excessive or unreasonable health insurance premium increases. The proposal must include a listing of references for recent engagements by the vendor that reflect the skills appropriate for work on this project, including telephone numbers and specific persons to contact.

25 percent

- (2) General qualifications and related experience of the vendor. Knowledge of insurance markets, insurance laws, and insurance regulations demonstrated through experience. Knowledge of insurance laws and insurance regulations, actuarial training and/or economic and statistical experience commensurate with several years participation on professional committees, legislative committees, and performing analyses similar to the requirements listed in this RFP. Good communication skills and demonstrated ability to work with both industry and regulatory personnel to achieve appropriate and adequate insurance industry regulation in New Hampshire. Industry experience preferred. The proposal must include a summary of experience, including current staff resumes.

30 percent

- (3) Timeframe and deliverables. The proposal must specify a timeframe in which the entity commits to project deliverables as they are developed. The proposal should be quite specific about the steps that will be taken by the vendor to analyze administrative loads, carrier profits and factors leading to premium increases.

In addition to the deliverables mentioned above, deliverables may include a report detailing recommendations for segmenting health insurance rates into appropriate components, methodologies for calculating actuarial value and a report delineating best practices employed by other States.

15 percent

- (4) Derivation of cost for the staff time. The proposal should include the hourly or daily rate for individuals, and an estimate of the amount of time each person will expend on the project. The proposal should include the expected out-of-pocket expenses in the fixed cost. The proposal might include not-to-exceed limits. The response required pursuant to this part shall be sufficiently detailed to create a general expectation of the cost anticipated.

30 percent

- (C) Conflict of Interest. The applicant shall disclose any actual or potential conflicts of interest.
- (D) Other Information. The New Hampshire Insurance Department will accept written questions related to this RFP from prospective bidders with the deadline being November 10, 2010. Questions should be directed to Tyler Brannen, Health Care Statistician, New Hampshire Insurance Department. Alternatively, you may email your questions to Mr. Brannen at [tyler.brannen@ins.nh.gov](mailto:tyler.brannen@ins.nh.gov).

A consolidated written response to all questions will be posted on the New Hampshire Insurance Department's website [www.nh.gov/insurance](http://www.nh.gov/insurance) by November 16, 2010.

The successful bidder or bidders will be required to execute a state of New Hampshire Contract. A form P-37 contains the general conditions as required by state of New Hampshire purchasing policies and the Department of Administrative Services. Although this standard contract can be modified slightly by mutual agreement between the successful bidder and the New Hampshire Insurance Department, all bidders are expected to accept the terms as presented in this RFP.

All proposals will be publicly opened at the above stated date and time. Proposals received after the above date and time will not be considered. The state reserves the right to reject any or all proposals.